

August 3, 2020

Via electronic delivery

Congressman Bryan Steil 1408 Longworth House Office Building Washington, DC 20515

Dear Congressman Steil:

As you know, the State of Wisconsin has been working diligently to respond to the COVID-19 pandemic. In that response, I have greatly appreciated the partnership with the federal government, including the regular calls between my staff and staff from your office and other members of the Congressional delegation each week to share updates on our work on behalf of the people of Wisconsin and our efforts on the ground across the state. I understand my staff share frequent updates on how we are continuing to use Coronavirus Relief Fund (CRF) and Coronavirus Aid, Relief, and Economic Security (CARES) Act resources, but I am happy to provide this information to you directly.

Much of our response efforts have been possible because of the CRF and additional resources are critical not only to continue fighting COVID head-on but also to address the significant economic impacts felt across the state. Throughout the past months, I have made it a priority to ensure that we are clearly communicating with the public and with our federal partners as to how these funds are being invested to support Wisconsinites across our state, which is why throughout the spring and summer we publicly announced a variety of programs and provided regular updates to your staff.

To your questions, Wisconsin is committed to following federal law and U.S. Dept. of Treasury guidance. Although we unfortunately did not receive guidance from Treasury until the end of April, after CRF funds had been distributed, and we continue to receive additional guidance, we have and will continue to work in earnest to take time to review and ensure we are appropriately following updated guidance as we receive it.

During the month of May, we worked closely with stakeholders and our state agencies to develop programs that not only maximized support for folks who need it across our state, but also met the requirements laid out by Treasury in its guidance. These programs were announced beginning in mid-May and throughout June. Many programs were open for applications during the month of June and payments are being made after applications are reviewed to ensure funding is used for the purposes allowed by the federal government. For example, we worked closely with agriculture stakeholders across the state to design a program to provide direct payments to Wisconsin farmers who have been impacted by the economic downturn. These applications have now been processed and over \$41 million in farm support payments have been made, as announced last Monday.

Further, Treasury requested that states provide reporting only on those costs incurred according to their limited definition which excluded funds that had been obligated or encumbered. Consequently, the report does not reflect funds that have been committed through programming and expenditures announced but not yet fully implemented, orders placed for which invoices are not yet received, or reimbursements to local governments who have not yet submitted their expenses. Additional funds had been obligated at the time of the submission of the report and additional funds are being incurred by the state on weekly basis.

Treasury's reporting metrics also did not account for the funding we had <u>allocated to counties</u> or <u>to cities</u>, <u>villages and towns</u> in Wisconsin, which was announced in June. In this program, local governments submitted their first round of expenses for reimbursement between July 1 and July 15. The Department of Administration (DOA) is in the process of reviewing expenses to ensure compliance with federal law and Treasury guidance, and I would be happy to provide an update after DOA completes their review.

As your letter indicates, Wisconsin has allocated the vast majority of the CRF dollars received with only 14% of our CRF dollars (\$280 million) remaining as of mid-June. We continue to analyze additional potential investments. We have heard from many stakeholders regarding concerns as the federal relief authorized in the CARES Act runs out. For example, as federal pandemic unemployment compensation (FPUC) runs out, economic instability among Wisconsin families will increase, increasing the need for rental assistance. Additionally, as funding streams like CCDBG are completely expended, childcare providers who continue to struggle in the face of the pandemic may need additional assistance.

Families, communities, schools, and businesses across Wisconsin are facing similar challenges as CARES programs become depleted or expire. While we continue to hope that you and your colleagues will act soon on these important priorities, we are closely monitoring whether delayed federal action results in a funding gap that state CRF funds may need to fill on an emergency basis.

Local and state governments have also not been immune to these economic impacts and, as indicated in my letter to you on July 15, without additional resources and the flexibility to utilize these resources to offset revenue loses, the cuts that will be made by the state and local government will further contribute to the economic retraction in the state.

Thank you for your interest and your attention to these incredibly important resources for the people of Wisconsin. I urge you to work with your colleagues and act without further delay to ensure that the critical resources that were provided in earlier bipartisan legislation are renewed and updated to meet the continued needs of Wisconsin and the nation in addressing this unprecedented challenge.

Sincerely,

Tony Evers Governor

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